



ANNUAL FINANCIAL REPORT • FISCAL YEAR 2021

Greene County Board of Education Greensboro, Georgia

Including Independent Auditor's Report

Greg S. Griffin | State Auditor
Kristina A. Turner | Deputy State Auditor



DOAA

Georgia Department
of Audits & Accounts

Greene County Board of Education

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Section I

Financial



INDEPENDENT AUDITOR'S REPORT

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Chris Houston, Superintendent and Members of the
Greene County Board of Education

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, discretely presented component units, and each major fund of the Greene County Board of Education (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component units, and each major fund of the School District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, in 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The School District restated beginning balances for the effect of GASB Statement No. 84. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The *Schedule of Expenditures of Federal Awards* is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A copy of this report has been filed as a permanent record and made available to the press of the State, as provided for by Official Code of Georgia Annotated section 50-6-24.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Greg S. Griffin
State Auditor

May 31, 2022

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**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

INTRODUCTION

The discussion and analysis of the Greene County Board of Education's (School District) financial performance provides an overview of the School District's financial activities for the fiscal years ended June 30, 2021 and June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Only the primary government will be considered for purposes of this discussion. Lake Oconee Academy, Inc., and Lake Oconee Academy Foundation are discretely presented component units, and are displayed in separately prepared financial statements that are independently audited.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal years 2021 and 2020 are as follows:

- On the government-wide financial statements, the assets and deferred outflow of resources of the School District exceed liabilities and deferred inflows of resources by \$4,586,689 and \$1,512,672 respectively, for the years ended June 30, 2021 and 2020.
- The School District had \$47,716,480 and \$44,543,114 in expenses relating to governmental activities for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. Only \$16,215,665 and \$15,404,743 of the above mentioned expenses for 2021 and 2020 were offset by program specific charges for services, grants and contributions. General revenues (primarily property and sales taxes) of \$34,321,828 and \$32,156,907, respectively, for 2021 and 2020, along with fund balance were adequate to provide for these programs.
- General revenues account for \$34,321,828 in revenue or 67.91% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$16,215,665 or 32.09% of total revenues of \$50,537,493.
- For the general fund, the current ratio, which measures the School District's ability to transform current assets into cash and pay its short-term liabilities, was 5.72 and 5.09 for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. Generally, a ratio greater than 2.0 is considered very financially stable.
- The general fund (the primary operating fund), presented on a current financial resource basis, ended the fiscal year with a fund balance of \$14,846,634, an increase of \$3,395,779 from the June 30, 2020 fund balance of \$11,450,855.
- Among major funds, the general fund had \$44,614,569 in revenues and other financing sources and \$41,218,789, in expenditures. The fund balance for the general fund increased by \$3,395,779. This increase can be attributed to effective budgeting, expenditure controls and increased revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include two levels of statements that present different views of the School District. These include the government-wide and fund financial statements.

**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the School District presenting both short-term and long-term information about the overall financial status.

The fund financial statements focus on individual parts, reporting the School District's operation in more detail. The governmental funds statements disclose how basic services are financed in the short-term as well as what remains for future spending.

The fund financial statements reflect the School District's most significant funds. For the years ending June 30, 2021 and 2020, the general fund, the capital projects fund, and the debt service fund represent the most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. Additionally, other supplementary information (not required) is also presented that further supplements understanding of the financial statements.

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets and liabilities. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net position, the difference between the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, is one way to measure the School District's overall financial health or position. Over time, increases or decreases in net position are an indication of whether its financial health is improving or deteriorating. Changes may be the result of many factors, including those not under the School District's control, such as the property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District has one distinct type of activity:

- **Governmental Activities** – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service, student activity accounts and various others.

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required by State law and some by bond requirements. The School District's major governmental funds are the general fund, the capital projects fund, and the debt service fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled to the financial statements.

GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2021 and 2020.

Table 1
Net Position

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020 (1)
Assets		
Current and Other Assets	\$ 24,193,263	\$ 17,013,655
Capital Assets, Net	45,943,429	47,092,000
Total Assets	70,136,692	64,105,655
Deferred Outflows of Resources		
Related to Defined Benefit Pension Plans	11,668,593	10,927,926
Related to OPEB Plan	6,811,139	3,112,312
Total Deferred Outflows of Resources	18,479,732	14,040,238
Liabilities		
Current and Other Liabilities	2,984,744	3,055,691
Long-Term Liabilities	75,281,559	66,720,857
Total Liabilities	78,266,303	69,776,548
Deferred Inflows of Resources		
Related to Defined Benefit Pension Plans	-	789,466
Related to OPEB Plan	5,763,432	6,067,207
Total Deferred Inflows of Resources	5,763,432	6,856,673
Net Position		
Net Investment in Capital Assets	36,972,281	37,211,125
Restricted	6,447,455	2,226,579
Unrestricted (Deficit)	(38,833,047)	(37,925,032)
Total Net Position	\$ 4,586,689	\$ 1,512,672

(1) Fiscal year 2020 balances do not reflect the effects of the Restatement of Net Position.

See Note 14 in the Notes to the Basic Financial Statements for additional information.

Total assets and deferred outflows of resources increased by \$10,470,531. The overall increase is due to increases in cash and cash equivalents, and deferred outflows of resources related to OPEB plan. Net capital assets decreased because of depreciation expense and more capital asset disposals than additions.

Total liabilities and deferred inflows of resources increased by \$7,396,514, which was the net effect of the large increase in net pension liability of \$4,717,452 and OPEB liability of \$4,794,239 and decrease in deferred inflows of resources of \$1,093,241 mostly related to the defined benefit pension plans. The combination of the increase in total assets and deferred outflows of resources and the increase in total liabilities and decrease in deferred inflows of resources yielded a net increase in net position of \$3,074,017, without consideration of the restatement.

**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Table 2 shows the changes in net position for fiscal years ending June 30, 2021 and June 30, 2020.

**Table 2
Change in Net Position**

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020 (1)
Revenues		
Program Revenues:		
Charges for Services	\$ 151,539	\$ 293,401
Operating Grants and Contributions	15,640,468	14,887,770
Capital Grants and Contributions	423,658	223,572
Total Program Revenues	16,215,665	15,404,743
General Revenues:		
Taxes		
Property Taxes		
For Maintenance and Operations	26,130,340	25,416,931
Railroad Cars	25,989	26,041
Sales Taxes		
Special Purpose Local Option Sales Tax		
For Capital Projects	6,156,255	5,308,999
Other Taxes	1,480,657	839,008
Investment Earnings	21,550	196,450
Miscellaneous	507,037	369,478
Special Item		
Impairment of Asset	-	(1,983,544)
Total General Revenues and Special Item	34,321,828	30,173,363
Total Revenues and Special Item	50,537,493	45,578,106
Program Expenses:		
Instruction	33,703,601	30,894,967
Support Services		
Pupil Services	1,765,089	1,407,592
Improvement of Instructional Services	1,437,857	1,204,539
Educational Media Services	403,536	510,658
General Administration	1,055,428	1,031,273
School Administration	1,842,555	1,797,204
Business Administration	720,118	543,872
Maintenance and Operation of Plant	2,432,407	2,443,513
Student Transportation Services	1,625,235	1,583,097
Central Support Services	47,639	139,275
Other Support Services	381,584	461,480
Enterprise Operations	133,156	177,700
Operations of Non-Instructional Services		
Food Services	1,753,776	1,883,377
Interest on Long-Term Debt	414,499	464,567
Total Expenses	47,716,480	44,543,114
Increase in Net Position	\$ 2,821,013	\$ 1,034,992

(1) Fiscal year 2020 balances do not reflect the effects of the Restatement of Net Position.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Program revenues, in the form of charges for services, operating grants and contributions and capital grants and contributions increased by \$810,922 for governmental activities. Operating grants and contracts increased due to the increase in federal funding from the Elementary and Secondary School Emergency Relief (ESSER) grants. There was a decrease in Quality Basic Education state funding due to the austerity reduction for anticipated reduction in state revenues because of the Covid-19 pandemic. Capital grants and contributions increased due to the Vocational Construction Related Equipment - State Bonds grant. Decreases in charges for services were the result of decline in school food sales, concession sales and gate receipts because of school closures, and limited games and attendance.

General revenues increased by \$2,164,921 during fiscal year 2021. Property taxes increased although the mileage rate was reduced from the previous year due to the increase in tax digest. Also our real estate and education special purpose local option sales taxes were higher because of new homes built in our lake area community and increases in construction costs. Also online shopping and grocery sales increased because of the pandemic.

Program expenses increased by \$3,173,366 from fiscal year 2020. A majority of the increase was in the instruction function. The difference was mainly related to pension expense, retention bonuses, and additional salaries for intersession and summer school to compensate for students' learning loss due to the Covid-19 pandemic. Also, per pupil funding to our charter school, Lake Oconee Academy, Inc., increased.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. Net cost of services can be defined as the total cost less fees generated by the activities and intergovernmental revenue provided for specific programs. The net cost reflects the financial burden on the School District's taxpayers by each activity.

**Table 3
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	Fiscal Year 2021	Fiscal Year 2020 (1)	Fiscal Year 2021	Fiscal Year 2020 (1)
Instruction	\$ 33,703,601	\$ 30,894,967	\$ 24,371,148	\$ 21,826,371
Support Services:				
Pupil Services	1,765,089	1,407,592	1,570,788	1,275,913
Improvement of Instructional Services	1,437,857	1,204,539	564,297	443,602
Educational Media Services	403,536	510,658	(5,761)	95,338
General Administration	1,055,428	1,031,273	433,169	273,322
School Administration	1,842,555	1,797,204	787,970	756,083
Business Administration	720,118	543,872	715,418	542,676
Maintenance and Operation of Plant	2,432,407	2,443,513	1,578,621	1,421,730
Student Transportation Services	1,625,235	1,583,097	334,136	1,039,008
Central Support Services	47,639	139,275	47,639	139,243
Other Support Services	381,584	461,480	380,693	460,476
Operations of Non-Instructional Services:				
Enterprise Operations	133,156	177,700	93,065	92,457
Food Services	1,753,776	1,883,377	215,133	307,585
Interest on Long-Term Debt	414,499	464,567	414,499	464,567
Total Expenses	\$ 47,716,480	\$ 44,543,114	\$ 31,500,815	\$ 29,138,371

(1) Fiscal year 2020 balances do not reflect the effects of the Restatement of Net Position.
See Note 14 in the Notes to the Basic Financial Statements for additional information.

**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Although tax revenues make up a majority of the funding, the School District is still dependent upon program revenues for governmental activities. For 2021, 67.77% of instruction and support activities were supplemented by taxes and other general revenues compared to 67.61% in 2020.

The net cost of providing services increased from the prior year because the increase in expenses exceeded the increase in revenues for the current year.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The governmental funds had total revenues and other financing sources of \$52,118,467 and total expenses and other financing uses of \$45,041,706. There was an increase in the fund balance totaling \$7,076,761 for the governmental funds as a whole. The capital projects fund increased by \$3,680,982 due to an insignificant amount of capital outlay expenditures. The general fund had an increase of \$3,395,779. Our expenses were up from the prior year due to retention bonuses paid through the ESSER grant and additional salaries paid for intersession and summer school to bridge the gap for learning loss because of the Covid-19 pandemic. Per pupil reimbursement to Lake Oconee Academy increased due to the increase in student enrollment and the per pupil funding amount. Property taxes were higher for the current year due to increase in the property tax digest, real estate taxes were up because of home sales, federal funds were higher due to the ESSER grants received because of the pandemic; however, state funding was down because of the austerity reduction for the state's anticipated loss in state revenue collections.

General Fund Budgeting Highlights

The School District's budget is prepared according to Georgia Law. The most significant budgeted fund is the general fund, funded primarily through state revenue and local property tax revenue. During the course of fiscal year, the School District amended its general fund budget as needed.

For the general fund, the final budgeted revenues and other financing sources of \$43,485,487 increased from the original budgeted amount of \$42,070,900 by \$1,414,587. This difference was mainly due to the receipt of ESSER grants related to the Covid-19 pandemic, small dollar federal grants not originally budgeted and adjustments to final approved grants. The actual revenues were more than the budgeted amount by \$1,530,104. Actual revenues were greater than the final budgeted amounts due to the increase in tax digest resulting in higher than expected tax collections. Real estate taxes were up due to the strong housing market, and austerity reduction was reduced so we received more state funding than expected. Actual federal revenues are less than the final budgeted amount due to one of the ESSER grants being budgeted twice and two grants were not budgeted; however, the fiscal year 2020 grants were extended into fiscal year 2021 instead of carrying over the unexpended funds into a new grant for fiscal year 2021.

The final budgeted expenditures of \$30,394,924 was more than the original budgeted amount of \$27,399,702 by \$2,995,222. The difference was mainly due to adjustments needed for all federal grants. The major difference in our final budget amount and actual expenses is the per pupil allotment payments to Lake Oconee Academy, Inc., that were recorded in the instruction function but are budgeted in "Other Uses". Also, school activity accounts are not budgeted which is the variance noted in the enterprise operations function. Most of our expenses came in under budget due to some of our schools being closed for a portion of the fiscal year.

**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS

At the fiscal years ended June 30, 2021 and June 30, 2020, the School District had \$45,943,429 and \$47,092,000, respectively, invested in capital assets, net of accumulated depreciation. These assets are made up of a broad range of capital assets, including land, buildings, transportation, food service and maintenance equipment. Table 4 reflects a summary of these balances, by class, net of accumulated depreciation.

**Table 4
Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020
Land	\$ 1,627,198	\$ 1,627,198
Construction In Progress	85,689	-
Building and Improvements	36,538,322	37,769,057
Equipment	2,795,628	2,446,630
Land Improvements	4,896,592	5,249,115
Total	<u>\$ 45,943,429</u>	<u>\$ 47,092,000</u>

Capital Assets decreased overall in fiscal year 2021 by \$1,148,571 due to depreciation and current year deletions exceeding current year additions. Current year additions were mainly for buses, vehicles, and equipment for Career, Technology and Automotive (CTAE), school nutrition and technology.

DEBT ADMINISTRATION

At June 30, 2021, the School District had \$8,940,000 in total debt outstanding with \$955,000 due within one year. Table 5 summarizes bond debt outstanding at June 30, 2021 and 2020.

**Table 5
Debt at June 30**

	Governmental Activities	
	Fiscal Year 2021	Fiscal Year 2020
Revenue Bonds	\$ -	\$ 40,988
Intergovernmental Agreement	<u>8,940,000</u>	<u>9,850,000</u>
Total	<u>\$ 8,940,000</u>	<u>\$ 9,890,988</u>

**GREENE COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CURRENT ISSUES

During fiscal year 2021, there was anticipated decline in revenues; however, collections were actually more than fiscal year 2020 with the exception of our state funding because of the austerity reduction in our initial allotment. For fiscal year 2022, our allotment is more than fiscal year 2021 due to the cut in our austerity reduction. Our property tax digest increased substantially from the previous year due to revaluations of properties by the tax assessor's office. Because of the increase in our tax digest, the mileage rate was reduced to 12.454 from 14.195 to prevent the increase in taxes on our tax payers of Greene County. It is anticipated that the pressure to provide local monies to meet mandated educational requirements and operational costs will continue. As shown in Table 3 above, property taxes and other general revenues cover over 67% of total costs. We are cautiously expecting our collections from our Education Special Purpose Local Option Sales Tax (ESPLOST) and real estate/transfer taxes to remain steady because of the strong housing market; however, we are starting to see the cost of constructional materials decreasing and stores and restaurants opening back up could effect our sales taxes negatively during the year.

We have received federal funding through grants to offset the additional costs the schools have incurred in trying to bridge the gap for the learning loss that occurred for many of our students when our schools were closed at the beginning of the Covid-19 pandemic.

As all of our schools opened back up for fiscal year 2022, we expect to see our expenses increase from the prior year. After the pandemic occurred, we are finding it more difficult to find qualified teachers and to maintain those employees that we already have on staff. In order to attract staff to our School District, we increased both the state and local supplemental salaries. Also, the employer's TRS contribution increased from 19.06 to 19.81. Fuel costs are also rising which will affect the costs in our transportation department. The School District has plans to build a new elementary school which is expected to begin during fiscal year 2022. The School District plans to use fund balance in both the capital projects and the general fund to cover a portion of the costs. General funds will also be used to demolish the old Greene County Elementary school. We will continue to be conservative in our capital outlay spending so that the Board only has to incur as little debt as possible when construction begins on the new school.

Currently, our Covid-19 cases are down and we are hopeful that are schools can remain open for the entire year. However, if there is a resurgent during the year, it could again negatively impact our operations. Management is actively monitoring the situation and assessing the effect on the School District's financial operations. Ensuring that our students receive the highest quality education in a safe environment is the highest priority of our School District.

The continual shift of the financial burden for public schooling from the state to the local taxpayers presents major challenges for the School District and remains management's most significant financial concern. The ability of management to recognize these factors, anticipate their impact, and react accordingly, has provided for the continuation of sufficient funding for programs for the students of Greene County.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dean Ware, Chief Financial Officer, at the Greene County Board of Education, 101 East Third Street, Greensboro, Georgia, 30642.

Greene County Board of Education

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT "A"

	GOVERNMENTAL ACTIVITIES	COMPONENT UNIT CHARTER SCHOOL	COMPONENT UNIT FOUNDATION
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 19,248,696.85	\$ 6,559,781.00	\$ 1,810,646.00
Accounts Receivable, Net			
Taxes	1,320,585.17	-	-
State Government	1,470,062.34	-	-
Federal Government	1,031,034.41	-	-
Local	830,477.39	106,383.00	-
Other	185,483.38	11,511.00	49,225.00
Inventories	25,576.92	-	-
Prepaid Items	81,346.34	171,944.00	-
Capital Assets, Non-Depreciable	1,712,887.63	-	365,508.00
Capital Assets, Depreciable (Net of Accumulated Depreciation)	44,230,541.65	4,246,571.00	18,318,910.00
Total Assets	<u>70,136,692.08</u>	<u>11,096,190.00</u>	<u>20,544,289.00</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related to Defined Benefit Pension Plans	11,668,593.27	-	-
Related to OPEB Plan	6,811,139.00	-	-
Total Deferred Outflows of Resources	<u>18,479,732.27</u>	<u>-</u>	<u>-</u>
<u>LIABILITIES</u>			
Accounts Payable	191,766.93	483,724.00	-
Salaries and Benefits Payable	2,599,158.44	1,988,547.00	-
Interest Payable	162,670.83	-	534,619.00
Contracts Payable	31,147.70	-	-
Net Pension Liability	37,254,976.00	-	-
Net OPEB Liability	29,086,583.00	-	-
Long-Term Liabilities			
Due Within One Year	955,000.00	-	271,953.00
Due in More Than One Year	7,985,000.00	-	17,622,204.00
Total Liabilities	<u>78,266,302.90</u>	<u>2,472,271.00</u>	<u>18,428,776.00</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to OPEB Plan	5,763,432.00	-	-
Contributions from Fundraising events	-	-	29,610.00
Total Deferred Inflows of Resources	<u>5,763,432.00</u>	<u>-</u>	<u>29,610.00</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	36,972,281.58	4,246,571.00	-
Restricted for			
Bus Replacement	154,440.00	-	-
Continuation of Federal Programs	138,185.16	-	-
Debt Service	32,534.17	-	-
Capital Projects	6,122,295.33	-	-
Donor Restriction	-	-	80,400.00
Unrestricted (Deficit)	<u>(38,833,046.79)</u>	<u>4,377,348.00</u>	<u>2,005,503.00</u>
Total Net Position	<u>\$ 4,586,689.45</u>	<u>\$ 8,623,919.00</u>	<u>\$ 2,085,903.00</u>

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT "B"

	PROGRAM REVENUES				NET (EXPENSES)	COMPONENT	
		CHARGES FOR	OPERATING	CAPITAL	REVENUES	UNIT	COMPONENT
	EXPENSES	SERVICES	GRANTS AND	GRANTS AND	AND CHANGES IN	CHARTER	UNIT
			CONTRIBUTIONS	CONTRIBUTIONS	NET POSITION	SCHOOL	FOUNDATION
<u>GOVERNMENTAL ACTIVITIES</u>							
Instruction	\$ 33,703,600.70	\$ 1,307.05	\$ 9,139,147.19	\$ 191,998.30	\$ (24,371,148.16)	\$ -	\$ -
Support Services							
Pupil Services	1,765,089.39	-	194,301.35	-	(1,570,788.04)	-	-
Improvement of Instructional Services	1,437,857.50	-	873,560.07	-	(564,297.43)	-	-
Educational Media Services	403,535.52	-	409,296.66	-	5,761.14	-	-
General Administration	1,055,427.68	-	622,258.17	-	(433,169.51)	-	-
School Administration	1,842,555.16	-	1,054,585.39	-	(787,969.77)	-	-
Business Administration	720,117.78	-	4,699.89	-	(715,417.89)	-	-
Maintenance and Operation of Plant	2,432,407.19	75,850.00	777,936.07	-	(1,578,621.12)	-	-
Student Transportation Services	1,625,235.18	-	1,059,439.37	231,660.00	(334,135.81)	-	-
Central Support Services	47,639.03	-	-	-	(47,639.03)	-	-
Other Support Services	381,584.07	-	891.31	-	(380,692.76)	-	-
Operations of Non-Instructional Services							
Enterprise Operations	133,155.74	40,090.92	-	-	(93,064.82)	-	-
Food Services	1,753,775.73	34,291.20	1,504,351.98	-	(215,132.55)	-	-
Interest on Long-Term Debt	414,498.99	-	-	-	(414,498.99)	-	-
Total Governmental Activities	\$ 47,716,479.66	\$ 151,539.17	\$ 15,640,467.45	\$ 423,658.30	(31,500,814.74)	-	-
<u>COMPONENT UNIT</u>							
Charter School	\$ 11,786,512.00	\$ 87,203.00	\$ 397,439.00	\$ -	-	(11,301,870.00)	-
Foundation	1,278,746.00	-	-	-	-	-	(1,278,746.00)
General Revenues							
Taxes							
Property Taxes							
For Maintenance and Operations					26,130,340.18	-	-
Railroad Cars					25,989.28	-	-
Sales Taxes							
Special Purpose Local Option Sales Tax							
For Capital Projects					6,156,255.22	-	-
Other Sales Tax					1,480,656.36	-	-
Greene County Board of Education					-	12,169,827.00	-
Investment Earnings					21,550.05	18,733.00	-
Rental Income					-	-	805,449.00
Miscellaneous					507,036.84	1,834,203.00	158,388.00
Total General Revenues					34,321,827.93	14,022,763.00	963,837.00
Change in Net Position					2,821,013.19	2,720,893.00	(314,909.00)
Net Position - Beginning of Year (Restated)					1,765,676.26	5,903,026.00	2,400,812.00
Net Position - End of Year					\$ 4,586,689.45	\$ 8,623,919.00	\$ 2,085,903.00

GREENE COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

EXHIBIT "C"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 13,927,287.96	\$ 5,321,408.89	\$ -	\$ 19,248,696.85
Accounts Receivable, Net				
Taxes	700,370.03	620,215.14	-	1,320,585.17
State Government	1,470,062.34	-	-	1,470,062.34
Federal Government	1,031,034.41	-	-	1,031,034.41
Local	830,477.39	-	-	830,477.39
Other	185,483.38	-	-	185,483.38
Due from Other Funds	8,750.00	394,034.20	-	402,784.20
Inventories	25,576.92	-	-	25,576.92
Prepaid Items	81,346.34	-	-	81,346.34
	<u>18,260,388.77</u>	<u>6,335,658.23</u>	<u>-</u>	<u>24,596,047.00</u>
Total Assets	\$ <u>18,260,388.77</u>	\$ <u>6,335,658.23</u>	\$ <u>-</u>	\$ <u>24,596,047.00</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 182,359.03	\$ 9,407.90	\$ -	\$ 191,766.93
Salaries and Benefits Payable	2,599,158.44	-	-	2,599,158.44
Due to Other Funds	394,034.20	8,750.00	-	402,784.20
Contracts Payable	18,647.70	12,500.00	-	31,147.70
Total Liabilities	<u>3,194,199.37</u>	<u>30,657.90</u>	<u>-</u>	<u>3,224,857.27</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	219,555.22	-	-	219,555.22
<u>FUND BALANCES</u>				
Nonspendable	106,923.26	-	-	106,923.26
Restricted	267,048.24	6,305,000.33	-	6,572,048.57
Assigned	198,355.45	-	-	198,355.45
Unassigned	14,274,307.23	-	-	14,274,307.23
Total Fund Balances	<u>14,846,634.18</u>	<u>6,305,000.33</u>	<u>-</u>	<u>21,151,634.51</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>18,260,388.77</u>	\$ <u>6,335,658.23</u>	\$ <u>-</u>	\$ <u>24,596,047.00</u>

GREENE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT "D"

Total fund balances - governmental funds (Exhibit "C")	\$	21,151,634.51
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land	\$	1,627,198.18
Construction in progress		85,689.45
Buildings and improvements		55,863,552.43
Equipment		8,867,397.00
Land improvements		10,187,166.09
Accumulated depreciation		(30,687,573.87)
		<u>45,943,429.28</u>
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	\$	(37,254,976.00)
Net OPEB liability		(29,086,583.00)
		<u>(66,341,559.00)</u>
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Related to pensions	\$	11,668,593.27
Related to OPEB		1,047,707.00
		<u>12,716,300.27</u>
Taxes that are not available to pay for current period expenditures are deferred in the funds.		
		219,555.22
Long-term liabilities, and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable	\$	(162,670.83)
Intergovernmental agreement payable		(8,940,000.00)
		<u>(9,102,670.83)</u>
Net position of governmental activities (Exhibit "A")	\$	<u><u>4,586,689.45</u></u>

GREENE COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

EXHIBIT "E"

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<u>REVENUES</u>				
Property Taxes	\$ 26,254,497.42	\$ -	\$ -	\$ 26,254,497.42
Sales Taxes	1,480,656.36	6,156,255.22	-	7,636,911.58
State Funds	11,192,341.06	-	-	11,192,341.06
Federal Funds	5,009,349.85	-	-	5,009,349.85
Charges for Services	151,539.17	-	-	151,539.17
Investment Earnings	19,147.20	2,402.85	-	21,550.05
Miscellaneous	497,452.11	-	-	497,452.11
Total Revenues	44,604,983.17	6,158,658.07	-	50,763,641.24
<u>EXPENDITURES</u>				
Current				
Instruction	29,323,870.55	93,277.00	-	29,417,147.55
Support Services				
Pupil Services	1,397,629.54	-	-	1,397,629.54
Improvement of Instructional Services	1,256,028.57	117,600.99	-	1,373,629.56
Educational Media Services	326,659.07	4,255.06	-	330,914.13
General Administration	938,448.75	1,357.60	-	939,806.35
School Administration	1,563,451.52	778.42	-	1,564,229.94
Business Administration	668,306.46	18,963.34	-	687,269.80
Maintenance and Operation of Plant	2,182,707.45	447,326.31	-	2,630,033.76
Student Transportation Services	1,418,335.82	354,303.58	-	1,772,639.40
Central Support Services	2,780.43	-	-	2,780.43
Other Support Services	364,286.98	-	-	364,286.98
Enterprise Operations	133,155.74	-	-	133,155.74
Food Services Operation	1,643,127.92	17,143.94	-	1,660,271.86
Capital Outlay	-	38,174.38	-	38,174.38
Debt Services				
Principal	-	38,588.65	910,000.00	948,588.65
Dues and Fees	-	-	50.00	50.00
Interest	-	666.04	435,191.07	435,857.11
Total Expenditures	41,218,788.80	1,132,435.31	1,345,241.07	43,696,465.18
Revenues over (under) Expenditures	3,386,194.37	5,026,222.76	(1,345,241.07)	7,067,176.06
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of Capital Assets	9,584.73	-	-	9,584.73
Transfers In	-	-	1,345,241.07	1,345,241.07
Transfers Out	-	(1,345,241.07)	-	(1,345,241.07)
Total Other Financing Sources (Uses)	9,584.73	(1,345,241.07)	1,345,241.07	9,584.73
Net Change in Fund Balances	3,395,779.10	3,680,981.69	-	7,076,760.79
Fund Balances - Beginning (Restated)	11,450,855.08	2,624,018.64	-	14,074,873.72
Fund Balances - Ending	\$ 14,846,634.18	\$ 6,305,000.33	\$ -	\$ 21,151,634.51

GREENE COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2021

EXHIBIT "F"

Net change in fund balances total governmental funds (Exhibit "E") \$ 7,076,760.79

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 953,614.96	
Depreciation expense	(2,076,556.11)	(1,122,941.15)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to decrease net position.	(25,629.50)
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Taxes reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(98,167.96)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities.

Intergovernmental agreement payments	\$ 910,000.00	
Revenue bond payments	40,988.43	950,988.43

District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension expense	\$ (3,187,318.76)	
OPEB expense	(791,637.00)	(3,978,955.76)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net decrease in accrued interest	18,958.34
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Change in net position of governmental activities (Exhibit "B")	\$ <u>2,821,013.19</u>
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GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

NOTE 1: DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

Reporting Entity

The Greene County Board of Education (School District) was established under the laws of the State of Georgia and operates under the guidance of a board elected by the voters and a Superintendent appointed by the Board. The School District is organized as a separate legal entity and has the power to levy taxes and issue bonds. Its budget is not subject to approval by any other entity. Accordingly, the School District is a primary government and consists of all the organizations that compose its legal entity.

Blended Component Unit

The Greene County College and Career Academy is responsible for the public education of all students attending its school. The College and Career Academy was created through a contract between the School District and the College and Career Academy whereby certain State funding associated with the students attending the College and Career Academy and specified local funds are used specifically to cover the cost of its operations. The College and Career Academy is a component unit of the School District and as such the College and Career Academy's financial activity has been blended with the School District's basic financial statements

Discretely Presented Component Units

The Lake Oconee Academy, Inc. (Charter School) is responsible for the public education of all students attending its school. The Charter School was created through a contract between the School District and the Charter School whereby certain State funding associated with the students attending the Charter School and specified local funds are turned over to the Charter School to cover the cost of its operations. The financial statements of the Charter School have been included as a discretely presented component unit.

Lake Oconee Academy was formed as a Georgia non-profit corporation in April 2007 for the purpose of operating a public charter school in Greensboro, Georgia. Operations commenced in the 2007/2008 academic school year. The Charter School's mission is to increase student achievement by building a culture of high expectations for all students.

The Lake Oconee Academy Foundation, Inc. (Foundation) was organized on September 5, 2012 as a Georgia non-profit corporation. The Foundation is dedicated to raising and stewarding funds to provide education resources, improve the educational and extracurricular programs for the enrichment, betterment and education excellence of the children of Lake Oconee Academy. The financial statements of the Foundation have been included as a discretely presented component unit.

See Note 15 and Note 16 for additional information related to the component units.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School District's accounting policies are described below.

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

Basis of Presentation

The School District's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements and notes to the basic financial statements. The government-wide statements focus on the School District as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Government-Wide Statements:

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School District and its component units. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Net Position presents the School District's assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

1. **Net investment in capital assets** consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
2. **Restricted net position** consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses (expenses of the School District related to the administration and support of the School District's programs, such as office and maintenance personnel and accounting) are not allocated to programs.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the School District's funds. Eliminations have been made to minimize the double counting of internal activities. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

The School District reports the following major governmental funds:

- The general fund is the School District's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.
- The capital projects fund accounts for and reports financial resources including Education Special Purpose Local Option Sales Tax (ESPLOST) that are restricted, committed or assigned for capital outlay expenditures, including the acquisition or construction of capital facilities and other capital assets.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned including taxes (sales) legally restricted for the payment of general long-term principal and interest.

Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, sales taxes, and grants. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized in the fiscal year in which the underlying transaction (sale) takes place. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers certain revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. The School District considers all intergovernmental revenues to be available if they are collected within 120 days after year-end. Property taxes, sales taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, there are both restricted and unrestricted resources available to finance the program. It is the School District's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

New Accounting Pronouncements

In fiscal year 2021, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The cumulative effect of GASB Statement No. 84 is described in the restatement note.

In fiscal year 2021, the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests*. It defines a majority equity interest and specifies that majority equity interest in a legal separate organization should be reported as an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The adoption of this statement did not have an impact on the School District's financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool (Georgia Fund 1) and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School District to deposit its funds in one or more solvent banks, insured Federal savings and loan associations or insured chartered building and loan associations.

Receivables

Receivables consist of amounts due from property and sales taxes, grant reimbursements due on Federal, State or other grants for expenditures made but not reimbursed and other receivables disclosed from information available. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the basic financial statements do not include any amounts which would necessitate the need for an allowance for uncollectible receivables.

Due to other funds and due from other funds consist of activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year.

Inventories

Food Inventories

On the basic financial statements, inventories of donated food commodities used in the preparation of meals are reported at their Federally assigned value and purchased foods inventories are reported at cost (calculated on the first-in, first-out basis). The School District uses the consumption method to account for inventories whereby donated food commodities are recorded as an asset and as revenue when received, and expenses/expenditures are recorded as the inventory items are used. Purchased foods are recorded as an asset when purchased and expenses/expenditures are recorded as the inventory items are used.

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

Prepaid Items

Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items, in both the government-wide and governmental fund financial statements.

Capital Assets

On the government-wide financial statements, capital assets are recorded at cost where historical records are available and at estimated historical cost based on appraisals or deflated current replacement cost where no historical records exist. Donated capital assets are recorded at the acquisition value on the date donated. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets is not capitalized. The School District does not capitalize book collections or works of art.

Capital acquisition and construction are recorded as expenditures in the governmental fund financial statements at the time of purchase (including ancillary charges), and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is computed using the straight-line for all assets, except land, and is used to allocate the actual or estimated historical cost of capital assets over estimated useful lives.

Capitalization thresholds and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Policy	Estimated Useful Life
Land	Any	N/A
Land Improvements	\$ 5,000.00	20 to 80 Years
Buildings and Improvements	\$ 5,000.00	Up to 80 Years
Equipment	\$ 5,000.00	5 to 25 years
Intangible Assets	\$ 350,000.00	5 to 80 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Liabilities and Bond Discounts/Premiums

In the School District's government-wide financial statements, outstanding debt is reported as liabilities. Bond premiums and discounts and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the life of the bonds using the straight-line method. To conform to generally accepted accounting principles, bond premiums and discounts

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should be amortized using the effective interest method. The effect of this deviation is deemed to be immaterial to the fair presentation of the basic financial statements. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued.

In the governmental fund financial statements, the School District recognizes the proceeds of debt and premiums as other financing sources of the current period. Bond issuance costs are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia School Employees Post-Employment Benefit Fund (School OPEB Fund) and additions to/deductions from School OPEB Fund fiduciary net position have been determined on the same basis as they are reported by School OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The School District's fund balances are classified as follows:

Nonspendable consists of resources that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted consists of resources that can be used only for specific purposes pursuant constraints either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed consists of resources that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. The Board is the School District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board. Committed fund balance also should incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned consists of resources constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (1) the Board or (2) the budget or finance committee, or the Superintendent, or designee, to assign amounts to be used for specific purposes.

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Unassigned consists of resources within the general fund not meeting the definition of any aforementioned category. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Taxes

The Greene County Board of Commissioners adopted the property tax levy for the 2020 tax digest year (calendar year) on August 27, 2020 (levy date) based on property values as of January 1, 2020. Taxes were due on December 1, 2020 (lien date). Taxes collected within the current fiscal year or within 60 days after year-end on the 2020 tax digest are reported as revenue in the governmental funds for fiscal year 2021. The Greene County Tax Commissioner bills and collects the property taxes for the School District, withholds 2.5% of taxes collected as a fee for tax collection and remits the balance of taxes collected to the School District. Property tax revenues, at the fund reporting level, during the fiscal year ended June 30, 2021, for maintenance and operations amounted to \$24,635,372.99.

The tax millage rate levied for the 2020 tax digest year (calendar year) for the School District was as follows (a mill equals \$1 per thousand dollars of assessed value):

School Operations	<u>14.195</u> mills
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Additionally, Title Ad Valorem Tax revenues, at the fund reporting level, amounted to \$1,593,135.15 during fiscal year ended June 30, 2021.

Sales Taxes

Education Special Purpose Local Option Sales Tax (ESPLOST), at the fund reporting level, during the year amounted to \$6,156,255.22 and is to be used for capital outlay for educational purposes or debt service. This sales tax was authorized by local referendum and the sales tax must be re-authorized at least every five years.

NOTE 3: BUDGETARY DATA

The budget is a complete financial plan for the School District's fiscal year and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School District's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines, and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is

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advertised at least once in a newspaper of general circulation in the locality, as well as the School District's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

The Superintendent is authorized by the Board to approve adjustments of no more than 10% of the amount budgeted for expenditures in any budget function for any fund. The Superintendent shall report any such adjustments to the Board. If expenditure of funds in any budget function for any fund is anticipated to be more than 10% of the budgeted amount, the Superintendent shall request Board approval for the budget amendment. Any position or expenditure not previously approved in the annual budget that exceeds \$5,000.00 shall require Board approval unless the Superintendent deems the position or purchase an emergency. In such case, the expenditure shall be reported to the Board at its regularly scheduled meeting. Under no circumstance is the Superintendent or other staff person authorized to spend funds that exceed the total budget without approval by the Board.

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during the fiscal year under review.

NOTE 4: DEPOSITS AND CASH EQUIVALENTS

Collateralization of Deposits

O.C.G.A. § 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. § 45-8-13.1) the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

Acceptable security for deposits consists of any one of or any combination of the following:

- (1) Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia,
- (2) Insurance on accounts provided by the Federal Deposit Insurance Corporation,
- (3) Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia,
- (4) Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia,
- (5) Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose,
- (6) Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia, and

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- (7) Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Categorization of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At June 30, 2021, the School District had deposits with a carrying amount of \$14,189,741.66, and a bank balance of \$14,889,641.54. The bank balances insured by Federal depository insurance were \$568,432.06 and the bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name were \$14,321,209.48.

Reconciliation of cash and cash equivalents balances to carrying value of deposits:

Cash and cash equivalents	
Statement of Net Position	\$ 19,248,696.85
Less:	
Investment pools reported as cash and cash equivalents	
Georgia Fund 1	<u>5,058,955.19</u>
Total carrying value of deposits - June 30, 2021	<u>\$ 14,189,741.66</u>

Categorization of Cash Equivalents

The School District reported cash equivalents of \$5,058,955.19 in Georgia Fund 1, a local government investment pool, which is included in the cash balances above. Georgia Fund 1 is not registered with the SEC as an investment company and does not operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The investment is valued at the pool's share price, \$1.00 per share, which approximates fair value. The pool is an AAAf rated investment pool by Standard and Poor's. The weighted average maturity of Georgia Fund 1 may not exceed 60 days. The weighted average maturity for Georgia Fund 1 on June 30, 2021 was 36 days.

Georgia Fund 1, administered by the State of Georgia, Office of the State Treasurer, is not required to be categorized since the School District did not own any specific identifiable securities in the pool. The investment policy of the State of Georgia, Office of the State Treasurer for the Georgia Fund 1, does not provide for investment in derivatives or similar investments. Additional information on the Georgia Fund 1 is disclosed in the State of Georgia Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

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NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,627,198.18	\$ -	\$ -	\$ 1,627,198.18
Construction in Progress	-	85,689.45	-	85,689.45
Total Capital Assets				
Not Being Depreciated	1,627,198.18	85,689.45	-	1,712,887.63
Capital Assets Being Depreciated				
Buildings and Improvements	55,807,327.43	56,225.00	-	55,863,552.43
Equipment	8,421,673.83	811,700.51	365,977.34	8,867,397.00
Land Improvements	10,205,558.51	-	18,392.42	10,187,166.09
Less Accumulated Depreciation for:				
Buildings and Improvements	18,038,270.61	1,286,959.88	-	19,325,230.49
Equipment	5,975,043.67	437,073.03	340,347.84	6,071,768.86
Land Improvements	4,956,443.74	352,523.20	18,392.42	5,290,574.52
Total Capital Assets, Being Depreciated, Net	45,464,801.75	(1,208,630.60)	25,629.50	44,230,541.65
Governmental Activities				
Capital Assets - Net	\$ 47,091,999.93	\$ (1,122,941.15)	\$ 25,629.50	\$ 45,943,429.28

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Current year depreciation expense by function is as follows:

Instruction		\$ 1,451,870.74
Support Services		
Pupil Services	\$ 230,757.10	
Improvements of Instructional Services	16,646.65	
General Administration	19,945.01	
Business Administration	2,069.75	
Maintenance and Operation of Plant	56,083.49	
Student Transportation Services	205,797.31	
Central Support Services	41,183.93	572,483.24
Food Services		52,202.13
		<u>\$ 2,076,556.11</u>

NOTE 6: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

Interfund Assets and Liabilities

Due to and due from other funds are recorded for interfund receivables and payables which arise from interfund transactions. Interfund balances at June 30, 2021, consisted of the following:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 8,750.00	\$ 394,034.20
Capital Projects Fund	394,034.20	8,750.00
	<u>\$ 402,784.20</u>	<u>\$ 402,784.20</u>

The amount due to the general fund from the capital projects fund was related to an expense credit from a vendor that was deposited in the wrong bank account. The amount due to the capital projects fund from the general fund is related to expenses reclassified to the general fund to be covered with ESSER grant funds.

Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Transfers to	Transfers From Capital Projects Fund
Debt Service Fund	<u>\$ 1,345,241.07</u>

Transfers are used to move Special Purpose Local Option Sales Tax revenues (SPLOST) collected by the capital projects fund to the debt service fund as needed for repayment of bond principal and interest.

GREENE COUNTY BOARD OF EDUCATION
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NOTE 7: LONG-TERM LIABILITIES

The changes in long-term liabilities during the fiscal year for governmental activities were as follows:

	Governmental Activities				
	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Revenue Bonds	\$ 40,988.43	\$ -	\$ 40,988.43	\$ -	\$ -
Intergovernmental Agreement	9,850,000.00	-	910,000.00	8,940,000.00	955,000.00
	<u>\$ 9,890,988.43</u>	<u>\$ -</u>	<u>\$ 950,988.43</u>	<u>\$ 8,940,000.00</u>	<u>\$ 955,000.00</u>

Intergovernmental Agreement

The Greene County Board of Education entered into a contract with the Greene County Development Authority dated December 16, 2009 for the issuance of bonds to provide funds to Lake Oconee Academy, Inc. for the purpose of constructing Greene County School District educational facilities for use by Lake Oconee Academy, Inc. Under the terms of the contract, the Greene County Development Authority issued \$17,205,000.00 in bonds on behalf of the School District. The obligation of the School District is absolute and unconditional as long as any of the bonds remain outstanding. Under the contract, the School District will exercise its power of taxation to the extent necessary to pay the amounts required to be paid by the contract.

The School District had no unused line of credit or outstanding notes from direct borrowings and direct placements related to governmental activities as of June 30, 2021. In the event the entity is unable to make the principal and interest payments using proceeds from the Education Special Purpose Local Option Sales Tax (ESPLOST), the debt will be satisfied from a direct annual ad valorem tax levied upon all taxable property within the School District. Additional security is provided by the State of Georgia Intercept Program which allows for state appropriations entitled to the School District to be transferred to the Debt Service Account Custodian for the payment of debt.

The debt at June 30, 2021, associated with this agreement were as follows:

Description	Interest Rates	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government - Series 2009	2.0 - 2.5%	12/16/2009	2/1/2029	<u>\$ 17,205,000.00</u>	<u>\$ 8,940,000.00</u>

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The following schedule details debt service requirements to maturity for the School District's total intergovernmental agreement payable.

<u>Fiscal Year Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 955,000.00	\$ 390,410.00
2023	1,005,000.00	342,660.00
2024	1,045,000.00	302,460.00
2025	1,090,000.00	259,092.50
2026	1,135,000.00	212,767.50
2027 - 2029	3,710,000.00	334,970.00
Total Principal and Interest	<u>\$ 8,940,000.00</u>	<u>\$ 1,842,360.00</u>

The following assets were acquired through the intergovernmental agreement and are reflected in the capital asset note at fiscal year-end:

<u>Intergovernmental Agreement</u>	<u>Governmental Activities</u>
Land	\$ 1,174,999.65
Buildings and Improvements	12,226,220.14
Land Improvements	3,333,589.96
Equipment	11,843.70
Less: Accumulated Depreciation	4,329,484.65
	<u>\$ 12,417,168.80</u>

NOTE 8: RISK MANAGEMENT

Insurance

Commercial Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; job related illness or injuries to employees; and natural disasters. Except as described below, the School District carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Unemployment Compensation

The School District is self-insured with regard to unemployment compensation claims. The School District accounts for claims within the general fund with expenses/expenditures and liability being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. The School District has not incurred any liabilities for unemployment compensation during the past two years.

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Surety Bond

The School District purchased a surety bond to provide additional insurance coverage as follows:

<u>Position Covered</u>	<u>Amount</u>
Superintendent	\$ 50,000.00

NOTE 9: FUND BALANCE CLASSIFICATION DETAILS

The School District's financial statements include the following amounts presented in the aggregate at June 30, 2021:

Nonspendable			
Inventories	\$	25,576.92	
Prepaid Assets		81,346.34	\$ 106,923.26
<hr/>			
Restricted			
Bus Replacement	\$	154,440.00	
Continuation of Federal Programs		112,608.24	
Capital Projects		6,109,795.33	
Debt Service		195,205.00	6,572,048.57
<hr/>			
Assigned			
School Activity Accounts			198,355.45
Unassigned			14,274,307.23
<hr/>			
Fund Balance, June 30, 2021			\$ 21,151,634.51

When multiple categories of fund balance are available for an expenditure, the School District will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

NOTE 10: SIGNIFICANT COMMITMENTS

Commitments under Construction Contracts

The following is an analysis of significant outstanding construction or renovation contracts executed by the School District as of June 30, 2021, together with funding available:

<u>Project</u>	<u>Unearned Executed Contracts (1)</u>	<u>Payments through June 30, 2021 (2)</u>	<u>Funding Available From Federal (1)(3)</u>
New Primay School	\$ 975,000.00	\$ 25,000.00	\$ -
GCHS Cooling Tower	10,139.30	53,760.70	63,900.00
	<hr/>	<hr/>	<hr/>
	\$ 985,139.30	\$ 78,760.70	\$ 63,900.00

(1) The amounts described are not reflected in the basic financial statements.

(2) Payments include contracts and retainages payable at year-end.

(3) GCHS Cooling Tower is being funded through the ESSER-CARES II federal grant.

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Operating Leases

The School District leases copiers under the provisions of one or more long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$15,564.25 for governmental activities for the year ended June 30, 2021. The following future minimum lease payments were required under operating leases at June 30, 2021:

Year Ending	Governmental Activities
2022	\$ 14,367.00
2023	14,367.00
2024	14,367.00
Total	\$ 43,101.00

NOTE 11: SIGNIFICANT CONTINGENT LIABILITIES

Federal Grants

Amounts received or receivable principally from the Federal government are subject to audit and review by grantor agencies. This could result in requests for reimbursement to the grantor agency for any costs which are disallowed under grant terms. Any disallowances resulting from the grantor audit may become a liability of the School District. However, the School District believes that such disallowances, if any, will be immaterial to its overall financial position.

Litigation

The School District is a defendant in various legal proceedings pertaining to matters incidental to the performance of routine School District operations. The ultimate disposition of these proceedings is not presently determinable but is not believed to have a material adverse effect on the financial condition of the School District.

On September 17, 2020, Lake Oconee Academy, Inc. filed a lawsuit in the Fulton County Superior Court against the School District related to the number of students funded for the 2020-2021 school year. It is the position of the School District that Lake Oconee Academy, Inc. must pay its fair portion of the cost required to educate and support its students, as Lake Oconee Academy is funded fairly and proportionately by the School District based on the charter agreement. Management is unable to determine the outcome of the case.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Georgia School Personnel Post-Employment Health Benefit Fund

Plan Description: Certified teachers and non-certified public school employees of the School District as defined in §20-2-875 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the School OPEB Fund - a cost-sharing multiple-employer defined benefit post-employment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 20 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

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Benefits Provided: The School OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for public school teachers, including librarians, other certified employees of public schools, regional educational service agencies and non-certified public school employees. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PSERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The School OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the School OPEB Fund is permitted.

Contributions: As established by the Board, the School OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the School OPEB Fund from the School District were \$723,488.00 for the year ended June 30, 2021. Active employees are not required to contribute to the School OPEB Fund.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the School District reported a liability of \$29,086,583.00 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2019. An expected total OPEB liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2020. At June 30, 2020, the School District's proportion was 0.198034%, which was an increase of 0.000087% from its proportion measured as of June 30, 2019.

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For the year ended June 30, 2021, the School District recognized OPEB expense of \$1,515,125.00. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,175,352.00
Changes of assumptions	4,810,275.00	2,588,080.00
Net difference between projected and actual earnings on OPEB plan investments	75,811.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,201,565.00	-
School District contributions subsequent to the measurement date	723,488.00	-
Total	<u>\$ 6,811,139.00</u>	<u>\$ 5,763,432.00</u>

School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB
2022	\$ (218,370.00)
2023	\$ (220,405.00)
2024	\$ (120,189.00)
2025	\$ 204,507.00
2026	\$ 503,239.00
Thereafter	\$ 175,437.00

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Actuarial assumptions: The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

OPEB:

Inflation	2.50%
Salary increases	3.00% – 8.75%, including inflation
Long-term expected rate of return	7.30%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare Eligible	7.00%
Medicare Eligible	5.25%
Ultimate trend rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate trend rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

Mortality rates were based on the RP – 2000 Combined Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

- For TRS members: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree Mortality Table projected generationally with MP-2019 projection scale (set forward one year and adjusted 106%) is used for death prior to retirement and for service retirements and beneficiaries. The Pub-2010 Teachers Mortality Table for Disabled Retirees projected generationally with MP-2019 Projection scale (set forward one year and adjusted 106%) is used for disability retirements. For both, rates of improvement were reduced by 20% for all years prior to the ultimate rate.
- For PSERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement. Rates of mortality in active service was based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2018, with the exception of the assumed annual rate of inflation changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

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The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-Term Expected Real Rate of Return*
Fixed income	30.00%	0.50%
Equities	70.00%	9.20%
Total	100.00%	

*Net of Inflation

Discount Rate: In order to measure the total OPEB liability for the School OPEB Fund, a single equivalent interest rate of 2.22% was used as the discount rate, as compared with last year's rate of 3.58%. This is comprised mainly of the yield or index rate for 20-year tax-exempt general obligation bonds with an average rating of AA or higher (2.21% per the Municipal Bond Index Rate). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2118.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 2.22%, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.22%) or 1-percentage-point higher (3.22%) than the current discount rate:

	1% Decrease (1.22%)	Current Discount Rate (2.22%)	1% Increase (3.22%)
School District's proportionate share of the Net OPEB liability	\$ 34,171,936.00	\$ 29,086,583.00	\$ 25,019,720.00

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Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates:

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
School District's proportionate share of the Net OPEB liability	\$ 24,217,504.00	\$ 29,086,583.00	\$ 35,390,625.00

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Report, which is publicly available at <https://sao.georgia.gov/statewide-reporting/acfr>.

NOTE 13: RETIREMENT PLANS

The School District participates in various retirement plans administered by the State of Georgia, as further explained below.

Teachers Retirement System of Georgia (TRS)

Plan Description: All teachers of the School District as defined in O.C.G.A. §47-3-60 and certain other support personnel as defined by O.C.G.A. §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. The Teachers Retirement System of Georgia issues a publicly available separate financial report that can be obtained at www.trsga.com/publications.

Benefits Provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during fiscal year 2021. The School District's contractually required contribution rate for the year ended June 30, 2021 was 19.06% of annual School District payroll, of which 19.03% of

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payroll was required from the School District and 0.03% of payroll was required from the State. For the current fiscal year, employer contributions to the pension plan were \$3,804,315.79 and \$4,404.16 from the School District and the State, respectively.

Employees' Retirement System

Plan Description: The Employees' Retirement System of Georgia (ERS) is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits Provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4.00% of annual compensation, up to \$4,200.00, plus 6.00% of annual compensation in excess of \$4,200.00. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The School District's total required contribution rate for the year ended June 30, 2021 was 24.66% of annual covered payroll for old plan members of which 19.91% was required from the School District and 4.75% was contributed on behalf of the School District by the state. Additionally, the School District's total required contribution rate was 24.66% for new plan members and 21.57% for GSEPS members. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan were \$43,383.48 for the current fiscal year.

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Public School Employees Retirement System (PSERS)

Plan Description: PSERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia. The ERS Board of Trustees, plus two additional trustees, administers PSERS. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. PSERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

Benefits Provided: A member may retire and elect to receive normal monthly retirement benefits after completion of ten years of creditable service and attainment of age 65. A member may choose to receive reduced benefits after age 60 and upon completion of ten years of service.

Upon retirement, the member will receive a monthly benefit of \$15.50, multiplied by the number of years of creditable service. Death and disability benefits are also available through PSERS. Additionally, PSERS may make periodic cost-of-living adjustments to the monthly benefits. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contribution, the member forfeits all rights to retirement benefits.

Contributions: The general assembly makes an annual appropriation to cover the employer contribution to PSERS on behalf of local school employees (bus drivers, cafeteria workers, and maintenance staff). The annual employer contribution required by statute is actuarially determined and paid directly to PSERS by the State Treasurer in accordance with O.C.G.A. §47-4-29(a) and 60(b). Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Individuals who became members prior to July 1, 2012 contribute \$4 per month for nine months each fiscal year. Individuals who became members on or after July 1, 2012 contribute \$10 per month for nine months each fiscal year. The State of Georgia, although not the employer of PSERS members, is required by statute to make employer contributions actuarially determined and approved and certified by the PSERS Board of Trustees. The current fiscal year contribution was \$55,414.00.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School District reported a liability of \$37,254,976.00 for its proportionate share of the net pension liability for TRS (\$37,029,644.00) and ERS (\$225,332.00).

The TRS net pension liability reflected a reduction for support provided to the School District by the State of Georgia for certain public school support personnel. The amount recognized by the School District as its proportionate share of the net pension liability, the related State of Georgia support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	\$ 37,029,644.00
State of Georgia's proportionate share of the net pension liability associated with the School District	<u>10,659.00</u>
Total	<u>\$ 37,040,303.00</u>

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The net pension liability for TRS and ERS was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The School District's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2020.

At June 30, 2020, the School District's TRS proportion was 0.152864%, which was an increase of 0.002127% from its proportion measured as of June 30, 2019. At June 30, 2020, the School District's ERS proportion was 0.005346%, which was an increase of 0.002317% from its proportion measured as of June 30, 2019.

At June 30, 2021, the School District did not have a PSERS liability for a proportionate share of the net pension liability because of a Special Funding Situation with the State of Georgia, which is responsible for the net pension liability of the plan. The amount of the State's proportionate share of the net pension liability associated with the School District is \$279,427.00.

The PSERS net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The State's proportion of the net pension liability associated with the School District was based on actuarially determined contributions paid by the State during the fiscal year ended June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$6,947,953.00 for TRS, \$87,067.00 for ERS and \$56,230.00 for PSERS and revenue of \$133,877.00 for TRS and \$56,230.00 for PSERS. The revenue is support provided by the State of Georgia. For TRS the State of Georgia support is provided only for certain support personnel.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,612,653.00	\$ -	\$ 2,745.00	\$ -
Changes of assumptions	3,814,096.00	-	-	-
Net difference between projected and actual earnings on pension plan investments	891,865.00	-	3,183.00	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,429,741.00	-	66,611.00	-
School District contributions subsequent to the measurement date	3,804,315.79	-	43,383.48	-
Total	<u>\$ 11,552,670.79</u>	<u>\$ -</u>	<u>\$ 115,922.48</u>	<u>\$ -</u>

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The School District contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2022	\$ 1,933,688.00	\$ 45,611.00
2023	\$ 2,496,960.00	\$ 20,450.00
2024	\$ 2,407,102.00	\$ 3,694.00
2025	\$ 910,605.00	\$ 2,784.00

Actuarial assumptions: The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System:

Inflation	2.50%
Salary increases	3.00% – 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increase:	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Employees' Retirement System:

Inflation	2.75%
Salary increases	3.25% – 7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

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Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

Public School Employees Retirement System:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	7.30%, net of pension plan investment expense, including inflation
Post-retirement benefit increase	1.50% semi-annually

Post-retirement mortality rates were based on the RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) for the period after service retirements and for dependent beneficiaries. The RP-2000 Disabled Mortality projected to 2025 with projection scale BB (set forward 5 years for both males and females) was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-11% less than the actual number of deaths that occurred during the study period for healthy retirees and 9-11% less than expected under the selected table for disabled retirees. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014, with the exception of the assumed investment rate of return.

The long-term expected rate of return on TRS, ERS and PSERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected

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rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS Target Allocation	ERS/PSERS Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.00%	30.00%	(0.10)%
Domestic large stocks	51.00%	46.20%	8.90%
Domestic small stocks	1.50%	1.30%	13.20%
International developed market stocks	12.40%	12.40%	8.90%
International emerging market stocks	5.10%	5.10%	10.90%
Alternative	-	5.00%	12.00%
Total	100.00%	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation with the exception of TRS, which assumed a rate of 2.50% rate of inflation.

Discount Rate: The discount rate used to measure the total TRS pension liability was 7.25%. The discount rate used to measure the total ERS and PSERS pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS, ERS and PSERS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the net pension liability to changes in the discount rate: The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.25% and 7.30%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% and 6.30%) or 1-percentage-point higher (8.25% and 8.30%) than the current rate:

Teachers Retirement System:	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability	\$ 58,720,176.00	\$ 37,029,644.00	\$ 19,249,627.00
Employees' Retirement System:	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
School District's proportionate share of the net pension liability	\$ 317,002.00	\$ 225,332.00	\$ 147,102.00

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Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS, ERS and PSERS financial report which is publicly available at www.trsga.com/publications and www.ers.ga.gov/financials.

Defined Contribution Plan

On November 1, 2001, the School District began an employer paid 403(b) annuity plan for the group of employees covered under the Public School Employees Retirement System (PSERS). Recognizing that PSERS was a limited defined contribution and defined benefit plan which did not provide for an adequate retirement for this group of employees, it was the Board's desire to supplement the retirement of this group.

The School District selected VALIC as the provider of this plan. For each employee covered under PSERS, the Board began contributing to the plan an amount equal to \$25.00 per month in matching contributions.

The employee becomes vested in the plan with 10 years of experience. Employees who had already achieved 10 years of experience at the time the plan was implemented were vested upon enrollment.

Funds accumulated in the employer paid accounts are only available to the employee upon termination of employment and 10 years of service. If an employee terminates employment prior to achieving 10 years of service, funds paid on behalf of the non-vested employee are credited back to the School District.

Employer contributions for the current fiscal year and the preceding two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>
2021	100%	\$ 3,558.16
2020	100%	\$ 4,375.00
2019	100%	\$ 5,500.00

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NOTE 14: RESTATEMENT OF PRIOR YEAR NET POSITION AND FUND BALANCE

Net position in governmental activities and fund balances in the general, capital projects and fiduciary funds as of July 1, 2020 have been restated for prior period adjustment due to the adoption of GASB Statement No. 84, as described in "New Accounting Pronouncements", reclassification of prepaid assets, and an unrecorded receivable for duplicated payment. These changes are in accordance with generally accepted accounting principles.

Net Position, July 1, 2020 as previously reported	\$ 1,512,672.32
Prior Period Adjustment - Implementation of GASB 84: School Activity Account Reclassification	68,504.96
Prior Period Adjustment - Recognize Greene County College and Career Academy as a Blended Component Unit	106,834.58
Prior Period Adjustment - Unrecorded receivable for duplicate payment	<u>77,664.40</u>
Net Position, July 1, 2020, as restated	<u>\$ 1,765,676.26</u>
Fund Balance (General Fund), July 1, 2020, as previously reported	\$ 11,202,518.63
Prior Period Adjustment - Implementation of GASB 84: School Activity Account Reclassification	68,504.96
Prior Period Adjustment - Recognize Greene County College and Career Academy as a Blended Component Unit	106,834.58
Prior Period Adjustment - Reclassification of Prepaid Assets	<u>72,996.91</u>
Fund Balance (General Fund), July 1, 2020, as restated	<u>\$ 11,450,855.08</u>
Fund Balance (Capital Projects), July 1, 2020, as previously reported	\$ 2,619,351.15
Prior Period Adjustment - Reclassification of Prepaid Assets	(72,996.91)
Prior Period Adjustment - Unrecorded receivable for duplicate payment	<u>77,664.40</u>
Fund Balance (Capital Projects), July 1, 2020, as restated	<u>\$ 2,624,018.64</u>

Funds Held for Others of \$68,504.96, previously presented in Fiduciary Funds, was reclassified to Net Position and Fund Balance (General Fund).

NOTE 15: COMPONENT UNIT

The Lake Oconee Academy, Inc. (Charter School) "the Organization" was formed in April 2007 as a Georgia non-profit corporation. The Charter School is responsible for the public education of all students attending its schools.

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The Organization has elected to include a discretely presented component unit, the financial information for Lake Oconee Academy Foundation, Inc., "the Foundation", due to the nature and significance of its relationship with the Foundation. See Note 16 for additional information related to the component unit. A complete set of financial statements for the Foundation can be obtained upon request from Mr. Tommy Jeffords, Chairman, by email at tjeffords@bbbga.com.

Deposits for Component Unit

Custodial credit risk is the risk that in the event of bank failure, the Organization's deposits may not be returned to it. The Organization's policy is that all deposits are secured by FDIC insurance and/or acceptable collateral as described above. At June 30, 2021, the Organization had deposits with a carrying amount of \$6,559,781.00 and a bank balance of \$6,706,554.00.

At June 30, 2021, \$6,706,554.00 of the Charter School's bank balances were exposed to custodial credit risk. This balance was in the State's Secure Deposit Program (SDP).

The Charter School participates in the State's Secure Deposit Program (SDP), a multi-bank pledging pool. The SDP requires participating banks that accept public deposits in Georgia to operate under the policy and procedures of the program. The Georgia Office of State Treasurer (OST) set the collateral requirements and pledging level for each covered depository. There are four tiers of collateralization levels specifying percentages of eligible securities to secure covered deposits: 25%, 50%, 75% and 110%. The SDP also provides for collateral levels to be increased in the amount of up to 125% if economic or financial conditions warrants. The program lists the types of eligible criteria. The OST approves authorized custodians.

In accordance with the SDP, if a covered depository defaults, losses to public depositors are first satisfied with any applicable insurance, followed by demands of payment under any letters of credit or sale of the covered depository collateral. If necessary, any remaining losses are to be satisfied by assessments made against the other participating covered depositories. Therefore, for disclosure purposes, all deposits of the SDP are considered to fully collateralized.

Long-Term Lease for Component Unit

On August 1, 2019, the Charter School entered into a thirty-eight (38) year lease agreement to lease a 25,000 square foot high school and a 31,000 square foot student life center on approximately 22.42 acres of land located adjacent to the charter school's present location from Lake Oconee Academy Foundation, Inc. Monthly lease payments, which commenced on November 1, 2019, were 66,566.00 which is sufficient to pay the costs of ownership including debt service for the project.

Starting in October 2021, the amount increased to \$68,159.00 plus an additional \$6,816.00 to be deposited into a separate bank account until the amount in the account is equivalent to one year of required principal and interest payments. Though the Foundation received a deferment of its debt service obligations to USDA, the charter school continued to pay the lease payments.

The reserve account is expected to be funded at the end of February 2031. Monthly payment of \$6,656.00 began on November 2019 to fund the reserve. In, fiscal year 2021, only one payment was made in July 2020.

Total rent expense under this agreement for the year ended June 20, 2021, was \$805,449.00.

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JUNE 30, 2021

EXHIBIT "G"

The following future minimum lease payments were required under this lease at June 30, 2021:

Year Ending	Component Unit
2022	\$ 874,443.00
2023	899,700.00
2024	899,700.00
2025	899,700.00
2026	899,700.00
2027 - 2031	4,498,500.00
2032 - 2036	4,131,666.00
2037 - 2041	4,089,540.00
2042 - 2046	4,089,540.00
2047 - 2051	4,089,540.00
2052 - 2056	4,089,540.00
2057 - 2061	3,443,428.00
Total	<u>\$ 32,904,997.00</u>

Capital Assets for Component Unit

The following is a summary of changes in the capital assets during the fiscal year:

	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021
Governmental Activities				
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ 962,910.00	\$ -	\$ 962,910.00
Capital Assets Being Depreciated				
Buildings and Improvements	3,894,948.00	-	-	3,894,948.00
Equipment	1,340,602.00	106,327.00	-	1,446,929.00
Intangible Assets	67,632.00	-	-	67,632.00
Less Accumulated Depreciation for:				
Buildings and Improvements	545,310.00	202,955.00	-	748,265.00
Equipment	1,231,997.00	77,954.00	-	1,309,951.00
Intangible Assets	67,632.00	-	-	67,632.00
Total Capital Assets, Being Depreciated, Net	<u>3,458,243.00</u>	<u>(174,582.00)</u>	<u>-</u>	<u>3,283,661.00</u>
Governmental Activities Capital Assets - Net	<u>\$ 3,458,243.00</u>	<u>\$ 788,328.00</u>	<u>\$ -</u>	<u>\$ 4,246,571.00</u>

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

Current year depreciation expense by function is as follows:

Instruction		\$ 44,406.00
Support Services		
Maintenance and Operation of Plant	\$ 207,826.00	
Student Transportation Services	9,910.00	217,736.00
Food Services		18,767.00
		<u>280,909.00</u>

Long-Term Debt for Component Unit

Payroll Protection Program

The Charter School borrowed \$1,753,425.00 from Bank South through the Small Business Administration's Paycheck Protection Program under the terms of a promissory note dated April 23, 2020. No payments are required for seven months following the date of the note. Monthly payments of principal and interest of \$98,677.00 were scheduled to commence on November 23, 2020; however, on November 2, 2020, the Charter School was notified that the Small Business Administration had repaid the loan on behalf of the Charter School as it had met the criteria for loan forgiveness under the program. As of June 30, 2021, \$0.00 was owed on this loan. This amount is reported as miscellaneous revenue in the Statement of Activities.

The changes in long-term liabilities during the fiscal year ended June 30, 2021, were as follows:

Governmental Activities					
	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Promissory Notes	\$ 1,753,425.00	\$ -	\$ 1,753,425.00	\$ -	\$ -

Significant Contingent Liabilities Component Unit

On September 17, 2020, Lake Oconee Academy, Inc., filed a lawsuit in Fulton County Superior Court to enforce a provision in its charter contract with the Greene County Board of Education. The Board of Education has limited the number of students which were funded in the 2020-2021 school year and as a result the Charter School has had to absorb those costs or consider enrollment cuts. The level of funding is less than the number of students approved in the charter agreement. Management is unable to determine the outcome of the case.

NOTE 16: CHARTER SCHOOL'S COMPONENT UNIT

Lake Oconee Academy Foundation, Inc., "the Foundation", was organized on September 5, 2012, as a Georgia Corporation pursuant to the provisions of the Georgia Non-Profit Corporation Code. The Foundation is dedicated to raising and stewarding funds to provide educational resources, improve the educational environment, and support the educational and extracurricular programs for the enrichment, betterment and educational excellence of the children of Lake Oconee Academy, a charter school located in Greensboro, Georgia.

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

Deposits for Foundation

The Foundation maintains depository accounts at one local bank and one account with PayPal. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.00 per account. The balances occasionally exceed those limits. As of June 30, 2021, cash held at one depository bank of \$1,812,539.00 exceeded insurance provided by the FDIC by \$1,562,539.00 and was at risk of loss.

Foundation's Lease Revenue

The Foundation leases an educational facility to the Lake Oconee Academy charter school under the terms of an agreement which commenced on August 1, 2019, and which ends on October 1, 2059. The facility was constructed using proceeds from a promissory note with the USDA (see note below). During the term of the agreement, the charter school will pay to the Foundation the same amount required to service the USDA loan. The lease may be terminated by the charter school after the USDA loan is repaid or it can continue to lease the facility for a reasonable market rate of rental. During the current period, monthly lease revenue received to offset required payments of principal and interest were \$66,566.00 beginning on November 1, 2019. Prior to that date lease revenue received was \$1,500.00 per month. An additional amount of \$6,656.00 was paid monthly; however, in fiscal year 2021 only one payment was made in July 2020 to fund the reserve account. The reserve payment started in October 2021 in the amount of \$6,816.00 which is 10% of the required debt payment which increased to \$68,159.00.

\$805,449.00 was received by the Foundation as rental revenue from the charter school under this agreement. Future minimum lease revenues for the next five years and thereafter are as follows:

<u>Year Ending</u>	<u>Component</u> <u>Unit</u>
2022	\$ 874,443.00
2023	899,700.00
2024	899,700.00
2025	899,700.00
2026	899,700.00
2027 - 2031	4,498,500.00
2032 - 2036	4,131,666.00
2037 - 2041	4,089,540.00
2042 - 2046	4,089,540.00
2047 - 2051	4,089,540.00
2052 - 2056	4,089,540.00
2057 - 2061	<u>3,443,428.00</u>
Total	\$ <u>32,904,997.00</u>

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

Foundations' Intangible Assets

The Foundation incurred \$466,307 in tangible costs during the construction phase of buildings which are leased to the Lake Oconee Academy charter school. These fees are being amortized over a period of thirty-eight years using the straight-line method. Accumulated amortization at June 30 was \$21,475. Amortization expense in the current period was \$12,271.

Foundations' Long-Term Debt

Public Finance Authority

The Foundation executed a construction promissory note on December 20, 2017, with the Public Finance Authority, a public entity organized in the State of Wisconsin, the proceeds which were used to construct a 55,000 square-foot facility consisting of classrooms, offices, a gym, a café, and a school store which is leased to the Lake Oconee Academy charter school. The loan bears interest at 2.3% per annum and is secured by the land and buildings attached. Interest only payments are due in semi-annual installments on April 1 and October 1 until October 1, 2019, at which time all principal and interest were paid in full.

USDA Direct Loan

The Foundation executed a promissory note in the amount of \$18,088,544.00 with the USDA through the USDA Community Facilities Direct Loan Fund. The proceeds of the loan were used to repay the Public Finance Authority note described above. Principal and interest payments in the amount of \$66,566.00 were due beginning November 1, 2019, with interest at 3.0% per annum and continuing for a period of thirty-eight (38) years with all principal and accrued but unpaid interest being due on October 1, 2059. The loan is secured by land comprising approximately 22.92 acres and the attached buildings constructed for the high school and student life center and also by all personal property, equipment, fixtures, revenues, fees, charges, assessments, income, and accounts receivable of the Foundation. The Foundation is required to establish a debt service reserve fund in which it will deposit an amount equal to 10% of its monthly loan payments until the amount in the reserve is equivalent to one year of required principal and interest payments totaling \$798,792.00. At June 30, 2021, the balance of this reserve fund was \$60,108.00. This balance is considered to be restricted cash. The principal due on the loan is \$17,894,157.00 and accrued interest of \$534,619.00. The loan contains a due on default clause by which the USDA may declare the entire debt immediately due and payable if the Foundation fails to remit the required payments or fails to comply with any of the conditions and agreements contained in the promissory note or instruments securing it.

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

EXHIBIT "G"

On July 20, 2020, the Foundation was notified that the USDA had granted its request for deferral of loan payments; however, the Organization continued to pay lease payments under the lease for the use of the facility. Subsequently, on August 27, 2021, the Foundation was notified that the USDA would begin requiring loan payments of \$68,159.00 plus the additional \$6,819.00 to fund the required reserve resulting in a totaling payment of \$74,975.00 starting in October 2021. The charter school's lease payment to the component unit will be sufficient to meet this debt service requirement per the lease. The loan will mature on October 1, 2059. Future requirements to reduce long-term debt are as follows:

Year Ending	Amount
2022	\$ 198,681.00
2023	271,953.00
2024	280,224.00
2025	288,745.00
2026	297,527.00
2027 - 2031	1,629,012.00
2032 - 2036	1,892,288.00
2037 - 2041	2,198,116.00
2042 - 2046	2,553,367.00
2047 - 2051	2,966,035.00
2052 - 2056	3,445,399.00
2057 - 2061	2,500,086.00
Total	\$ <u>18,521,433.00</u>

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GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "1"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.152864%	\$ 37,029,644.00	\$ 10,659.00	\$ 37,040,303.00	\$ 19,714,115.24	187.83%	77.01%
2020	0.150737%	\$ 32,412,531.00	\$ 67,303.00	\$ 32,479,834.00	\$ 18,472,560.24	175.46%	78.56%
2019	0.144669%	\$ 26,853,665.00	\$ 165,760.00	\$ 27,019,425.00	\$ 17,431,278.52	154.05%	80.27%
2018	0.141084%	\$ 26,220,896.00	\$ 478,200.00	\$ 26,699,096.00	\$ 16,485,900.49	159.05%	79.33%
2017	0.136025%	\$ 28,063,474.00	\$ 735,706.00	\$ 28,799,180.00	\$ 15,311,822.79	183.28%	76.06%
2016	0.132034%	\$ 20,100,865.00	\$ 600,283.00	\$ 20,701,148.00	\$ 14,357,962.71	140.00%	81.44%
2015	0.131414%	\$ 16,602,426.00	\$ 509,137.00	\$ 17,111,563.00	\$ 13,816,894.27	120.16%	84.03%

GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "2"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2021	\$ 3,804,315.79	\$ 3,804,315.79	\$ -	\$ 19,988,566.71	19.03%
2020	\$ 4,166,366.88	\$ 4,166,366.88	\$ -	\$ 19,714,115.24	21.13%
2019	\$ 3,850,981.49	\$ 3,850,981.49	\$ -	\$ 18,472,560.24	20.85%
2018	\$ 2,911,460.22	\$ 2,911,460.22	\$ -	\$ 17,431,278.52	16.70%
2017	\$ 2,311,700.42	\$ 2,311,700.42	\$ -	\$ 16,485,900.49	14.02%
2016	\$ 2,129,171.85	\$ 2,129,171.85	\$ -	\$ 15,311,822.79	13.91%
2015	\$ 1,835,628.79	\$ 1,835,628.79	\$ -	\$ 14,357,962.71	12.78%

GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "3"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	School District's covered payroll	School District's proportionate share of the NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension liability
2021	0.005346%	\$ 225,332.00	\$ 134,797.64	167.16%	76.21%
2020	0.003029%	\$ 124,993.00	\$ 76,350.83	163.71%	76.74%
2019	0.001871%	\$ 76,917.00	\$ 47,718.60	161.19%	76.68%
2018	0.002316%	\$ 94,061.00	\$ 56,808.87	165.57%	76.33%
2017	0.002463%	\$ 116,510.00	\$ 57,272.78	203.43%	72.34%
2016	0.004508%	\$ 182,637.00	\$ 97,835.48	186.68%	76.20%
2015	0.005517%	\$ 206,992.00	\$ 125,181.67	165.35%	77.99%

GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "4"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2021	\$ 43,383.48	\$ 43,383.48	\$ -	\$ 175,926.60	24.66%
2020	\$ 33,241.15	\$ 33,241.15	\$ -	\$ 134,797.64	24.66%
2019	\$ 18,919.73	\$ 18,919.73	\$ -	\$ 76,350.83	24.78%
2018	\$ 11,838.96	\$ 11,838.96	\$ -	\$ 47,718.60	24.81%
2017	\$ 14,094.28	\$ 14,094.28	\$ -	\$ 56,808.87	24.81%
2016	\$ 14,157.84	\$ 14,157.84	\$ -	\$ 57,272.78	24.72%
2015	\$ 21,484.66	\$ 21,484.66	\$ -	\$ 97,835.48	21.96%

GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

SCHEDULE "5"

For the Year Ended June 30	School District's proportion of the Net Pension Liability (NPL)	School District's proportionate share of the NPL	State of Georgia's proportionate share of the NPL associated with the School District	Total	School District's covered payroll	School District's proportionate share of the NPL as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.00%	\$ -	\$ 279,427.00	\$ 279,427.00	\$ 776,062.57	N/A	84.45%
2020	0.00%	\$ -	\$ 281,548.00	\$ 281,548.00	\$ 861,438.02	N/A	85.02%
2019	0.00%	\$ -	\$ 289,352.00	\$ 289,352.00	\$ 961,501.92	N/A	85.26%
2018	0.00%	\$ -	\$ 261,394.00	\$ 261,394.00	\$ 951,641.31	N/A	85.69%
2017	0.00%	\$ -	\$ 346,042.00	\$ 346,042.00	\$ 956,860.21	N/A	81.00%
2016	0.00%	\$ -	\$ 235,801.00	\$ 235,801.00	\$ 998,454.91	N/A	87.00%
2015	0.00%	\$ -	\$ 200,687.00	\$ 200,687.00	\$ 980,963.47	N/A	88.29%

GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL OPEB FUND

SCHEDULE "6"

For the Year Ended June 30	School District's proportion of the Net OPEB Liability (NOL)	School District's proportionate share of the NOL	State of Georgia's proportionate share of the NOL associated with the School District	Total	School District's covered- employee payroll	School District's proportionate share of the NOL as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.198034%	\$ 29,086,583.00	\$ -	\$ 29,086,583.00	\$ 18,463,265.80	157.54%	3.99%
2020	0.197947%	\$ 24,292,344.00	\$ -	\$ 24,292,344.00	\$ 17,365,462.11	139.89%	4.63%
2019	0.194821%	\$ 24,761,151.00	\$ -	\$ 24,761,151.00	\$ 16,631,062.70	148.88%	2.93%
2018	0.188558%	\$ 26,492,323.00	\$ -	\$ 26,492,323.00	\$ 15,778,694.87	167.90%	1.61%

GREENE COUNTY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SCHOOL OPEB FUND

SCHEDULE "7"

For the Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered-employee payroll	Contribution as a percentage of covered-employee payroll
2021	\$ 723,488.00	\$ 723,488.00	\$ -	\$ 19,131,188.65	3.78%
2020	\$ 669,703.00	\$ 669,703.00	\$ -	\$ 18,463,265.80	3.63%
2019	\$ 1,066,082.00	\$ 1,066,082.00	\$ -	\$ 17,365,462.11	6.14%
2018	\$ 1,009,734.00	\$ 1,009,734.00	\$ -	\$ 16,631,062.70	6.07%
2017	\$ 983,157.00	\$ 983,157.00	\$ -	\$ 15,778,694.87	6.23%

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE "8"

Teachers Retirement System

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teacher Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Employees' Retirement System

Changes of benefit terms: A new benefit tier was added for members joining the System on and after July 1, 2009. A one-time 3% payment was granted to certain retirees and beneficiaries effective July 2016, and a one-time 3% payment was granted to certain retirees and beneficiaries effective July 2017. Two one-time 2% payments were granted to certain retirees and beneficiaries effective July 2018 and January 2019. Two one-time 3% payments were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal and salary increases.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 actuarial valuation.

Public School Employees Retirement System

Changes of benefit terms: The member contribution rate was increased from \$4.00 to \$10.00 per month for members joining the System on or after July 1, 2012. The monthly benefit accrual rate was increased from \$14.75 to \$15.00 per year of credible service effective July 1, 2017. The monthly benefit accrual was increased from \$15.00 to \$15.25 per year of credible service effective July 1, 2018. The monthly benefit accrual was increased from \$15.25 to \$15.50 per year of credible service effective July 1, 2019. A 2% cost-of-living adjustment (COLA) was granted to certain retirees and beneficiaries effective July 2016, another July 2017, and another July 2018. Two 1.5% COLAs were granted to certain retirees and beneficiaries effective July 2019 and January 2020.

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement and withdrawal. The expectation of retired life mortality was changed to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date. The assumed investment rate of return remained at 7.30% for the June 30, 2019 valuation.

GREENE COUNTY BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE "8"

School OPEB Fund

Changes of benefit terms: There have been no changes in benefit terms.

Changes in assumptions: The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to State OPEB fund based on their last employer payroll location; irrespective of retirement affiliation.

The June 30, 2019 decremental valuation were changed to reflect the Teachers Retirement Systems experience study.

The discount rate was updated from 3.07% as of June 30, 2016 to 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018, to 3.58% as of June 30, 2019, and to 2.22% as of June 30, 2020.

GREENE COUNTY BOARD OF EDUCATION

SCHEDULE "9"

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	NONAPPROPRIATED BUDGETS		ACTUAL	VARIANCE
	ORIGINAL (1)	FINAL (1)	AMOUNTS	OVER/UNDER
<u>REVENUES</u>				
Property Taxes	\$ 25,133,811.07	\$ 25,133,811.07	\$ 26,254,497.42	\$ 1,120,686.35
Sales Taxes	550,000.00	550,000.00	1,480,656.36	930,656.36
State Funds	10,329,912.71	10,645,814.00	11,192,341.06	546,527.06
Federal Funds	5,019,348.66	6,088,036.81	5,009,349.85	(1,078,686.96)
Charges for Services	131,329.21	131,329.21	151,539.17	20,209.96
Investment Earnings	160,000.00	160,000.00	19,147.20	(140,852.80)
Miscellaneous	335,890.02	365,888.02	497,452.11	131,564.09
Total Revenues	41,660,291.67	43,074,879.11	44,604,983.17	1,530,104.06
<u>EXPENDITURES</u>				
Current				
Instruction	17,284,044.80	17,916,490.05	29,323,870.55	(11,407,380.50)
Support Services				
Pupil Services	1,215,811.03	1,471,786.82	1,397,629.54	74,157.28
Improvement of Instructional Services	561,731.64	1,319,612.08	1,256,028.57	63,583.51
Educational Media Services	361,433.49	363,940.96	326,659.07	37,281.89
General Administration	1,028,809.97	1,137,961.46	938,448.75	199,512.71
School Administration	1,543,124.79	1,564,727.29	1,563,451.52	1,275.77
Business Administration	630,372.41	631,626.16	668,306.46	(36,680.30)
Maintenance and Operation of Plant	2,009,709.92	2,349,379.58	2,182,707.45	166,672.13
Student Transportation Services	1,531,416.64	1,626,642.79	1,418,335.82	208,306.97
Central Support Services	16,208.58	16,239.58	2,780.43	13,459.15
Other Support Services	446,214.19	452,794.19	364,286.98	88,507.21
Enterprise Operations	-	-	133,155.74	(133,155.74)
Food Services Operation	770,825.00	1,543,723.07	1,643,127.92	(99,404.85)
Total Expenditures	27,399,702.46	30,394,924.03	41,218,788.80	(10,823,864.77)
Excess of Revenues over (under) Expenditures	14,260,589.21	12,679,955.08	3,386,194.37	(9,293,760.71)
<u>OTHER FINANCING SOURCES(USES)</u>				
Other Sources	410,608.01	410,608.01	-	(410,608.01)
Sale of Capital Assets	-	-	9,584.73	9,584.73
Other Uses	(12,608,071.67)	(12,608,071.67)	-	12,608,071.67
Total Other Financing Sources (Uses)	(12,197,463.66)	(12,197,463.66)	9,584.73	12,207,048.39
Net Change in Fund Balances	2,063,125.55	482,491.42	3,395,779.10	2,913,287.68
Fund Balances - Beginning (Restated)	10,494,686.98	10,494,686.98	11,450,855.08	956,168.10
Adjustments	(9,165.97)	(16,601.90)	-	16,601.90
Fund Balances - Ending	\$ 12,548,646.56	\$ 10,960,576.50	\$ 14,846,634.18	\$ 3,886,057.68

Notes to the Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual

(1) Original and Final Budget amounts do not include the budgeted revenues or expenditures of the various principal accounts.

The actual revenues and expenditures of the various principal accounts are \$178,086.30 and \$171,281.46, respectively.

The accompanying schedule of revenues, expenditures and changes in fund balances budget and actual is presented on the modified accrual basis of accounting which is the basis of accounting used in the presentation of the fund financial statements.

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Agriculture, U. S. Department of			
Child Nutrition Cluster			
Pass-Through From Georgia Department of Education			
Food Services			
School Breakfast Program	10.553	215GA324N1199	\$ 362,838.26
National School Lunch Program	10.555	215GA324N1199	1,042,238.86
Child Nutrition Discretionary Grants Limited Availability	10.579	205GA324N8503	43,758.41
Total Child Nutrition Cluster			<u>1,448,835.53</u>
Forest Service Schools and Roads Cluster			
Pass-Through From Office of the State Treasurer			
Schools and Roads - Grants to States	10.665	486 Forest	<u>13,170.70</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Food Services			
Fresh Fruit and Vegetable Program	10.582	215GA324L1603	19,377.50
State Administrative Expenses for Child Nutrition	10.560	205GA904N2533	904.05
Total Other Programs			<u>20,281.55</u>
Total U. S. Department of Agriculture			<u>1,482,287.78</u>
Education, U. S. Department of			
Education Stabilization Fund			
Pass-Through From Georgia Department of Education			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200012	715,618.76
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210012	423,915.91
Total Education Stabilization Fund			<u>1,139,534.67</u>
Special Education Cluster			
Pass-Through From Georgia Department of Education			
Special Education			
Grants to States	84.027A	H027A190073	114,355.00
Grants to States	84.027A	H027A200073	503,971.04
Preschool Grants	84.173A	H173A200081	7,238.48
Total Special Education Cluster			<u>625,564.52</u>
Other Programs			
Pass-Through From Georgia Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	V048A200010	34,485.00
Charter Schools	84.282A	U282A160016	198,671.00
English Language Acquisition State Grants	84.365A	S365A190010	19,676.95
Rural Education	84.358B	S365B190010	40,034.00
Rural Education	84.358B	S365B200010	4,381.47
State Education - State Personnel Development	84.323A	H323A170010	7,920.00
Student Support and Academic Enrichment Program	84.424A	S424A190011	8,335.66
Student Support and Academic Enrichment Program	84.424A	S424A200011	44,026.51
Supporting Effective Instruction State Grants	84.367A	S367A190001	23,614.00
Supporting Effective Instruction State Grants	84.367A	S367A200001	76,271.43
Title I Grants to Local Educational Agencies	84.010A	S010A190010	330,926.39
Title I Grants to Local Educational Agencies	84.010A	S010A200010	946,962.89
Total Other Programs			<u>1,735,305.30</u>
Total U. S. Department of Education			<u>3,500,404.49</u>

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

SCHEDULE "10"

FUNDING AGENCY PROGRAM/GRANT	ASSISTANCE LISTING NUMBER	PASS- THROUGH ENTITY ID NUMBER	EXPENDITURES IN PERIOD
Defense, U. S. Department of Direct Department of the Air Force R.O.T.C. Program	12.UNKNOWN		28,065.02
Total Expenditures of Federal Awards			\$ 5,010,757.29

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Greene County Board of Education (the "Board") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position or changes in net position of the Board.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF STATE REVENUE
YEAR ENDED JUNE 30, 2021

SCHEDULE "11"

AGENCY/FUNDING	GOVERNMENTAL	
	FUND TYPE	
	GENERAL	FUND
GRANTS		
Bright From the Start:		
Georgia Department of Early Care and Learning		
Pre-Kindergarten Program	\$	444,396.60
Education, Georgia Department of		
Quality Basic Education		
Direct Instructional Cost		
Kindergarten Program		729,797.00
Kindergarten Program - Early Intervention Program		(2,479.00)
Primary Grades (1-3) Program		1,608,106.00
Primary Grades - Early Intervention (1-3) Program		146,476.00
Upper Elementary Grades (4-5) Program		759,065.00
Upper Elementary Grades - Early Intervention (4-5) Program		72,729.00
Middle School (6-8) Program		1,362,011.00
High School General Education (9-12) Program		1,073,701.00
Vocational Laboratory (9-12) Program		388,066.00
Students with Disabilities		1,474,078.00
Gifted Student - Category VI		146,707.00
Remedial Education Program		36,803.00
Alternative Education Program		93,879.00
English Speakers of Other Languages (ESOL)		171,774.00
Media Center Program		219,099.00
20 Days Additional Instruction		70,099.00
Staff and Professional Development		32,154.00
Principal Staff and Professional Development		913.00
Indirect Cost		
Central Administration		333,763.00
School Administration		525,300.00
Facility Maintenance and Operations		399,959.00
Mid-term Adjustment Hold-Harmless		52,496.00
Amended Formula Adjustment		(311,936.00)
Categorical Grants		
Pupil Transportation		
Regular		388,150.00
Bus Replacement		154,440.00
Nursing Services		53,923.00
Sparsity		106,411.00
Other State Programs		
Charter Schools - Facilities		39,034.00
Food Services		40,844.00
Hygiene Products		1,486.00
Math and Science Supplements		10,380.00
Preschool Disability Services		77,381.00
Pupil Transportation - State Bonds		77,220.00
Teachers Retirement		4,404.16
Vocational Education		78,246.00
Vocational Construction Related Equipment - State Bonds		191,998.30
Georgia Emergency Management Agency		
Donations to LEA for COVID		33,299.26
Georgia Foundation for Public Education		
Rural Education Fund		4,980.00
Office of the State Treasurer		
Public School Employees Retirement		55,414.00
CONTRACT		
Human Resources, Georgia Department of		
Family Connections		47,773.74
	\$	11,192,341.06

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2021

SCHEDULE "12"

PROJECT	ORIGINAL ESTIMATED COST (1)	CURRENT ESTIMATED COSTS (2)	ESTIMATED COMPLETION DATE
2014 ESPLOST			
1. Adding to, renovating, repairing, improving, and equipping school system buildings and facilities including Greene County High School	\$ 4,820,096.00	\$ 8,890,899.91	October 31, 2021
2. Acquiring land for School District facilities,	-	425.00	Completed
3. Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment and safety and security equipment,	1,671,639.00	4,520,165.05	Completed
4. Acquiring school buses and transportation and maintenance equipment,	398,785.00	820,248.78	Completed
5. Acquiring textbooks for the school system,	975,000.00	654,247.73	Completed
6. Acquiring portable school classroom facilities,	3,500,000.00	3,258,316.33	Completed
7. Paying a portion of the lease-purchase payments due under the Intergovernmental Agreement securing the Greene County Development Authority Revenue Bonds (Lake Oconee Academy Project), Series 2009, from January, 2015 through February, 2020 (the maximum amount of such payments not to exceed \$6,660,213.00),	6,660,213.00	6,659,974.11	Completed
8. Paying a portion of the purchase payments due under the Intergovernmental Agreement between the School District and Northeast Georgia Regional Educational Service Agency relating to the Rutland Center (the maximum amount of such payments not to exceed \$189,267.00),	189,267.00	189,267.00	Completed
9. Paying any general obligation debt of the School District issued in conjunction with the imposition of said sales and use tax, and	5,000,000.00	5,192,914.19	Completed
10. Paying any expenses incident to accomplishing the foregoing	185,000.00	119,519.00	Completed
Subtotal 2014 Projects	<u>23,400,000.00</u>	<u>30,305,977.10</u>	
2019 ESPLOST			
1. Acquiring land and performing site preparation related to the construction of new school facilities, and the expansion of existing School District facilities,	4,875,500.00	4,875,000.00	June 30, 2024
2. Adding to, renovating, repairing, improving, and equipping existing School District buildings and instructional facilities system-wide,	1,325,000.00	1,325,000.00	June 30, 2024
3. Expanding, replacing, renovating, repairing, improving, and equipping existing school buildings, parking lots, restrooms, theatres, science labs, outdoor spaces and other School District facilities,	1,630,000.00	1,630,000.00	June 30, 2024
4. Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including heating and air conditioning equipment, plumbing, LED lighting, flooring, roofing and similar infrastructure improvements	4,023,000.00	4,023,000.00	June 30, 2024
5. Acquiring technology equipment and software and safety and security equipment,	2,641,500.00	2,641,500.00	June 30, 2024
6. Acquiring school buses and transportation and maintenance equipment	1,500,000.00	1,500,000.00	June 30, 2024
7. Acquiring textbooks, e-books and e-book readers for the School District	1,000,000.00	1,000,000.00	June 30, 2024

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2021

SCHEDULE "12"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3)(6)	(RESTATED) AMOUNT EXPENDED IN PRIOR YEARS (3)(4)(5)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
2014 ESPLOST				
1. Adding to, renovating, repairing, improving, and equipping school system buildings and facilities including Greene County High School	\$ 21,089.14	\$ 8,734,791.41	\$ -	\$ -
2. Acquiring land for School District facilities,	-	425.00	425.00	-
3. Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including technology equipment and safety and security equipment,	127,106.03	4,393,059.02	4,520,165.05	-
4. Acquiring school buses and transportation and maintenance equipment,	52,627.58	767,621.20	820,248.78	-
5. Acquiring textbooks for the school system,	7,564.23	646,683.50	654,247.73	-
6. Acquiring portable school classroom facilities,	-	3,258,316.33	3,258,316.33	-
7. Paying a portion of the lease-purchase payments due under the Intergovernmental Agreement securing the Greene County Development Authority Revenue Bonds (Lake Oconee Academy Project), Series 2009, from January, 2015 through February, 2020 (the maximum amount of such payments not to exceed \$6,660,213.00),	-	6,659,974.11	6,659,974.11	-
8. Paying a portion of the purchase payments due under the Intergovernmental Agreement between the School District and Northeast Georgia Regional Educational Service Agency relating to the Rutland Center (the maximum amount of such payments not to exceed \$189,267.00),	(939.25)	188,327.75	187,388.50	-
9. Paying any general obligation debt of the School District issued in conjunction with the imposition of said sales and use tax, and	-	5,192,914.19	5,192,914.19	-
10. Paying any expenses incident to accomplishing the foregoing	4,675.00	114,844.00	119,519.00	-
Subtotal 2014 Projects	<u>212,122.73</u>	<u>29,956,956.51</u>	<u>21,413,198.69</u>	<u>-</u>
2019 ESPLOST				
1. Acquiring land and performing site preparation related to the construction of new school facilities, and the expansion of existing School District facilities,	67,178.75	-	-	-
2. Adding to, renovating, repairing, improving, and equipping existing School District buildings and instructional facilities system-wide,	-	28,536.38	-	-
3. Expanding, replacing, renovating, repairing, improving, and equipping existing school buildings, parking lots, restrooms, theatres, science labs, outdoor spaces and other School District facilities,	91,914.43	-	-	-
4. Acquiring miscellaneous new equipment, fixtures and furnishings for the school system, including heating and air conditioning equipment, plumbing, LED lighting, flooring, roofing and similar infrasture improvements	39,618.87	-	-	-
5. Acquiring technology equipment and software and safety and security equipment,	346,345.97	289,290.00	-	-
6. Acquiring school buses and transportation and maintenance equipment	301,676.00	-	-	-
7. Acquiring textbooks, e-books and e-book readers for the School District	28,709.62	-	-	-

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2021

SCHEDULE "12"

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED COST (1)</u>	<u>CURRENT ESTIMATED COSTS (2)</u>	<u>ESTIMATED COMPLETION DATE</u>
8. Paying a portion of the lease-purchase payments due under the Intergovernmental Agreement securing the Greene County Development Authority Revenue Bonds (Lake Oconee Academy Project), Series 2009, from January, 2020 through February, 2025 (the maximum amount of such payments not to exceed \$10,000,000.00),	10,000,000.00	10,000,000.00	June 30, 2024
9. Paying any general obligation debt of the School District issued in conjunction with the imposition of said sales and use tax, and	-	-	June 30, 2024
10. Paying any expenses incident to accomplishing the foregoing	5,000.00	5,000.00	June 30, 2024
Subtotal 2019 Projects	<u>27,000,000.00</u>	<u>26,999,500.00</u>	
Total	<u>\$ 50,400,000.00</u>	<u>\$ 57,305,477.10</u>	

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF APPROVED LOCAL OPTION SALES TAX PROJECTS
YEAR ENDED JUNE 30, 2021

SCHEDULE "12"

PROJECT	AMOUNT EXPENDED IN CURRENT YEAR (3)(6)	(RESTATED) AMOUNT EXPENDED IN PRIOR YEARS (3)(4)(5)	TOTAL COMPLETION COST	EXCESS PROCEEDS NOT EXPENDED
8. Paying a portion of the lease-purchase payments due under the Intergovernmental Agreement securing the Greene County Development Authority Revenue Bonds (Lake Oconee Academy Project), Series 2009, from January, 2020 through February, 2025 (the maximum amount of such payments not to exceed \$10,000,000.00),	1,345,241.07	1,109,730.00	-	-
9. Paying any general obligation debt of the School District issued in conjunction with the imposition of said sales and use tax, and	-	-	-	-
10. Paying any expenses incident to accomplishing the foregoing	4,675.00	-	-	-
Subtotal 2019 Projects	<u>2,225,359.71</u>	<u>1,427,556.38</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,437,482.44</u>	<u>\$ 31,384,512.89</u>	<u>\$ 21,413,198.69</u>	<u>\$ -</u>

(1) The School District's original cost estimate as specified in the resolution calling for the imposition of the Local Option Sales Tax.

(2) The School District's current estimate of total cost for the projects. Includes all cost from project inception to completion.

(3) The voters of Greene County approved the imposition of a 1% sales tax to fund the above projects and retire associated debt. Amounts expended for these projects may include sales tax proceeds, state, local property taxes and/or other funds over the life of the projects.

(4) Project 7/SPLOST 2014 was completed in June 2020 with total actual expenditures of \$6,659,974.11.

The previous estimated cost was \$6,630,213.00. The surplus of SPLOST proceeds will be used for Project 8 for SPLOST 2019

(5) Prior year expenses totaling \$77,664.40 were restated for an overpayment that was reimbursed to the board in the current year.

Also an error was made in the prior year when we removed the expenses for unallowable esplost expenditures for licenses. A financial statement adjustment had been made to set-up prepaids which included those licenses that had been reclassified to the general fund.

The expense was removed twice in the prior year as a result so we have added those costs back in the prior year expenditure column.

A restatement entry was made to correct the prior period error.

(6) Current year expenses is less than capital outlay and debt service expenditures reported on Exhibit "E" due to the principal and interest paid of the revenue bonds related to the Rutland Center. The payments made were taken against our restricted investment account that was set up in a previous year to make the final debt payment on the revenue bonds.

Section II

Compliance and Internal Control Reports



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Chris Houston, Superintendent and Members of the
Greene County Board of Education

We have audited the financial statements of the governmental activities, discretely presented component units, and each major fund of the Greene County Board of Education (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated May 31, 2022. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the School District's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin", with a stylized flourish at the end.

Greg S. Griffin
State Auditor

May 31, 2022



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Brian P. Kemp, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the State Board of Education
and
Dr. Chris Houston, Superintendent and Members of the
Greene County Board of Education

Report on Compliance for Each Major Federal Program

We have audited the Greene County Board of Education's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Greg S. Griffin
State Auditor

May 31, 2022

Section III

Auditee's Response to Prior Year Findings and Questioned Costs

GREENE COUNTY BOARD OF EDUCATION
AUDITEE'S RESPONSE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

Section IV

Findings and Questioned Costs

GREENE COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:
Governmental Activities, Discretely Presented
Component Units, and Each Major Fund
Unmodified

Internal control over financial reporting:
▪ Material weakness(es) identified? No
▪ Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted: No

Federal Awards

Internal Control over major programs:
▪ Material weakness(es) identified? No
▪ Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major programs:

All major programs
Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Assistance Listing Program or Cluster Title</u>
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

II FINANCIAL STATEMENT FINDINGS

No matters were reported.

III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.